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Debra Hardman
Acting Commissioner

September 2, 2016

The attached report represents a consolidation of Reports of Condition and Income filed by state-chartered banks with the Missouri Division of Finance as of June 30, 2016, and a comparison with the statements filed one year earlier. Also included is a comparison of financial statements of state-chartered and national banks.

During the previous twelve months, the number of state-chartered banks and trust companies declined from 262 to 256. During these past twelve months six banks merged into other institutions, one new state bank charter was granted as a national institution converted to a state chartered bank, and one bank self liquidated.

Assets in state-chartered banks totaled \$116.8 billion on June 30, 2016, an increase of 9.2 percent from one year earlier. Deposits were \$96.2 billion and total loans were \$75.4 billion on June 30, 2016, an increase of 8.6 percent and 11.7 percent from one year earlier, respectively.

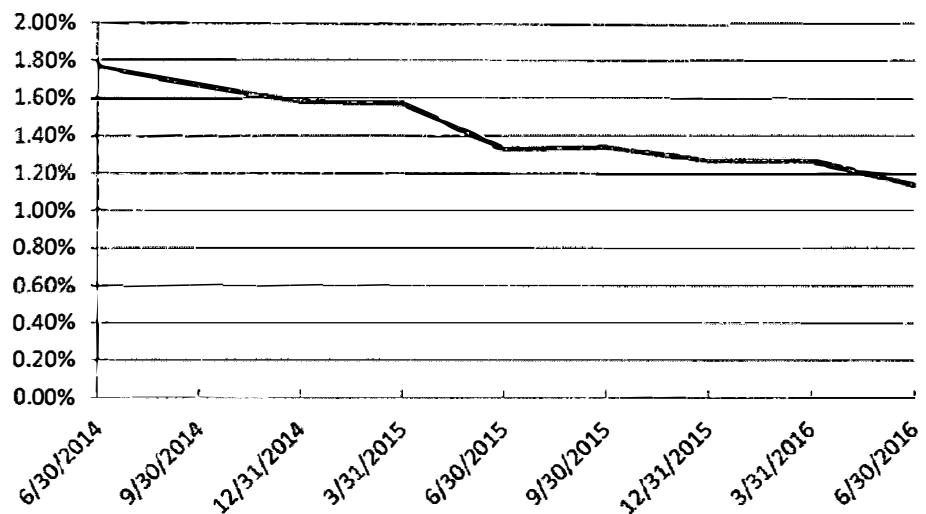
The overall condition of Missouri state-chartered banks continues to improve. The attached graphs illustrate improvement in several component areas. Asset quality has improved, with the past due ratio stabilizing at a manageable 1.14 percent down from 1.33 percent one year earlier. The return on assets remains strong at 1.09 percent, despite a compressed net interest margin. Only 2.7 percent of Missouri state-chartered banks lost money in the first six months of 2016, as compared to 4.5 percent of all U.S. banks.

Capital remains strong, as the Tier 1 Leverage Capital ratio is 9.76 percent of total assets, above the National average of 9.57 percent.

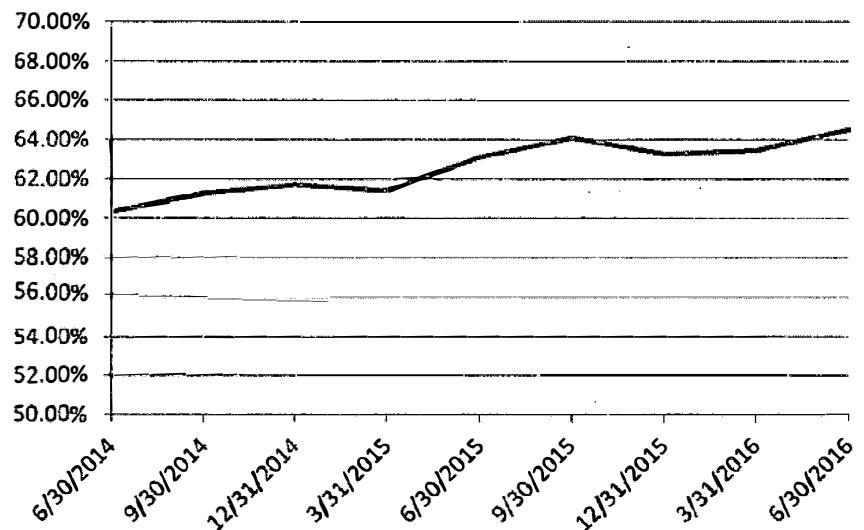
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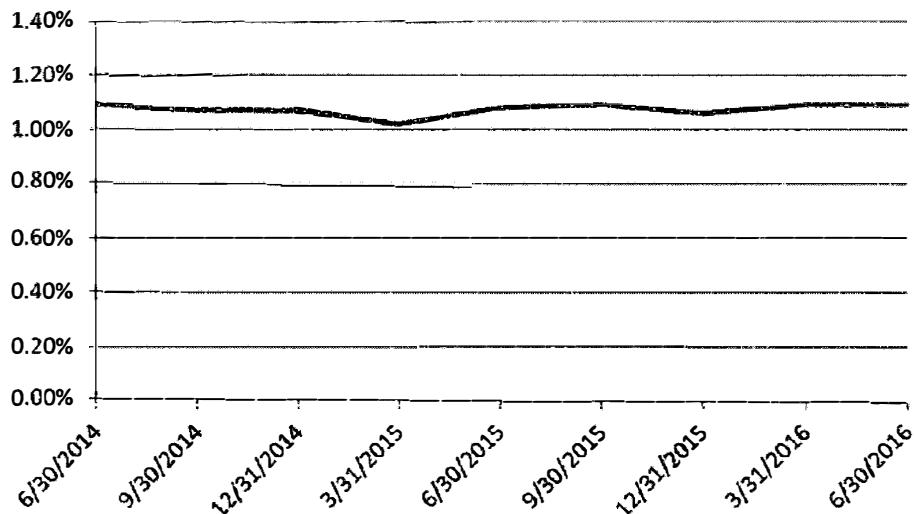
PAST DUE LOANS TO TOTAL LOANS



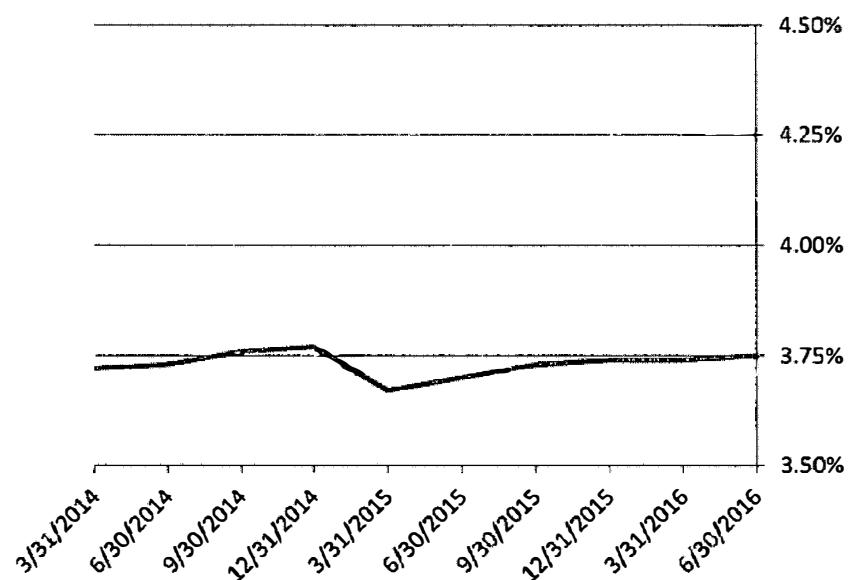
Loans/Assets



RETURN ON ASSETS



NET INTEREST MARGIN



**COMPARATIVE STATEMENT OF CONDITION
STATE AND NATIONAL BANKS IN MISSOURI
AS OF JUNE 30, 2016**

MILLIONS OF DOLLARS	6/30/2016			6/30/2015	
	256 STATE BANKS	16 NATIONAL BANKS	272 ALL BANKS	286 ALL BANKS	PERCENT CHANGE
ASSETS					
Cash and Due from Banks	5,602	1,066	6,668	7,462	-10.6%
Investment Securities	29,623	9,136	38,759	38,097	1.7%
Total Loans and Leases	75,360	15,025	90,385	82,703	9.3%
Less: Reserves	1,013	142	1,155	1,159	-0.3%
Federal Funds Sold	1,211	209	1,420	1,559	-8.9%
Fixed Assets	2,024	384	2,408	2,496	-3.5%
Other Real Estate	361	19	380	485	-21.6%
Intangible Assets	690	218	908	871	4.2%
Other assets	2,971	724	3,695	3,269	13.0%
TOTAL ASSETS	\$116,829	\$26,639	\$143,468	\$135,783	5.7%
LIABILITIES					
Total Deposits	96,246	21,592	117,838	112,067	5.1%
Deposits over 250M	4,496	788	5,284	4,643	13.8%
Brokered Deposits	10,718	513	11,231	6,716	67.2%
Federal Funds Purchased	4,281	1,885	6,166	6,344	-2.8%
Other liabilities	4,277	650	4,927	3,563	38.3%
Total Equity Capital	12,025	2,512	14,537	13,809	5.3%
TOTAL LIABILITIES & EQUITY CAPITAL	\$116,829	\$26,639	\$143,468	\$135,783	5.7%
EARNINGS					
Interest Income	1,973	364	2,337	2,210	5.7%
Interest Expense	173	21	194	181	7.2%
Net Interest Income	1,800	343	2,143	2,029	5.6%
Provision for Loan Losses	64	15	79	57	38.6%
Net Income	625	99	724	655	10.5%
Cash Dividends	300	23	323	402	-19.7%
Net Loan Losses	42	10	52	51	2.0%

**COMPARATIVE STATEMENT OF CONDITION
STATE BANKS AND TRUST COMPANIES IN MISSOURI
AS OF JUNE 30, 2016**

THOUSANDS OF DOLLARS	256 BANKS 6/30/2016	262 BANKS 6/30/2015	INCREASE DECREASE()	PERCENT CHANGE
ASSETS				
Total Loans	\$75,359,833	\$67,494,667	\$7,865,166	11.7%
Allowance for Loan Losses	1,013,258	995,306	17,952	1.8%
Total Assets	116,828,730	106,977,271	9,851,459	9.2%
LIABILITIES				
Total Deposits	96,245,902	88,607,163	7,638,739	8.6%
Total Equity Capital	12,025,344	11,051,852	973,492	8.8%

OPERATING RATIOS	6/30/2016	6/30/2015	CHANGE
Equity Capital/Assets	10.29%	10.33%	-0.04%
Tangible Equity Capital/Assets	9.76%	9.78%	-0.02%
Capital and Allowance for Loan Losses/Assets	11.06%	11.16%	-0.10%
Total Loans/Assets	64.50%	63.09%	1.41%
Past Due and Nonaccrual Loans/Total Loans	1.14%	1.33%	-0.19%
Allowance for Loan Losses/Total Loans	1.34%	1.47%	-0.13%
Average Net Interest Margin	3.75%	3.70%	0.05%
Return on Assets	1.09%	1.08%	0.01%

NOTES:

Does not include four nondeposit trust companies.